

August 10, 2000

Mr. William O'Connor, Jr.
Vice President
Nuclear Generation
Detroit Edison Company
6400 North Dixie Highway
Newport, MI 48166

SUBJECT: OPERATOR LICENSING EXAMINATION REPORT 50-341/2000302(DRS)

Dear Mr. O'Connor:

A Nuclear Regulatory Commission examiner completed an initial operator licensing examination at your Fermi 2 Nuclear Station on July 20, 2000. The license applicant's performance evaluation was finalized on August 7, 2000.

This examination was a continuation of an April 1998 initial licensing examination. The examiner administered the Category C, "Integrated Plant Operations," portion of the operating examination to one senior reactor operator license applicant as agreed upon in the court document for the Atomic Safety and Licensing Board Case No. 99-755-01-SP, dated June 22, 2000. The applicant passed the administered examination and was issued a senior reactor operator license.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room).

We will gladly discuss any questions you have concerning this examination.

Sincerely

/RA/

David E. Hills, Chief
Operations Branch
Division of Reactor Safety

Docket No. 50-341
License No. NPF-43

Enclosures: 1. Inspection Report 50-341/2000302(DRS)
2. Simulation Facility Report

See Attached Distribution

cc w/encls: N. Peterson, Director, Nuclear Licensing
P. Marquardt, Corporate Legal Department
Compliance Supervisor
R. Whale, Michigan Public Service Commission
Michigan Department of Environmental Quality
Monroe County, Emergency Management Division
Emergency Management Division
MI Department of State Police
L. Sanders, Training Manager

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U.S. NUCLEAR REGULATORY COMMISSION

REGION III

Docket No: 50-341
License No: NPF-43

Report No: 50-341/2000302(DRS)

Licensee: The Detroit Edison Company

Facility: Fermi 2

Location: 6400 North Dixie Highway
Newport, MI 48166

Date: July 20, 2000

Examiner: A. M. Stone, Chief Examiner, RIII

Approved by: David E. Hills, Chief, Operations Branch
Division of Reactor Safety

NRC's REVISED REACTOR OVERSIGHT PROCESS

The federal Nuclear Regulatory Commission (NRC) recently revamped its inspection, assessment, and enforcement programs for commercial nuclear power plants. The new process takes into account improvements in the performance of the nuclear industry over the past 25 years and improved approaches of inspecting and assessing safety performance at NRC licensed plants.

The new process monitors licensee performance in three broad areas (called strategic performance areas): reactor safety (avoiding accidents and reducing the consequences of accidents if they occur), radiation safety (protecting plant employees and the public during routine operations), and safeguards (protecting the plant against sabotage or other security threats). The process focuses on licensee performance within each of seven cornerstones of safety in the three areas:

Reactor Safety

- Initiating Events
- Mitigating Systems
- Barrier Integrity
- Emergency Preparedness

Radiation Safety

- Occupational
- Public

Safeguards

- Physical Protection

To monitor these seven cornerstones of safety, the NRC uses two processes that generate information about the safety significance of plant operations: inspections and performance indicators. Inspection findings will be evaluated according to their potential significance for safety, using the Significance Determination Process, and assigned colors of GREEN, WHITE, YELLOW or RED. GREEN findings are indicative of issues that, while they may not be desirable, represent very low safety significance. WHITE findings indicate issues that are of low to moderate safety significance. YELLOW findings are issues that are of substantial safety significance. RED findings represent issues that are of high safety significance with a significant reduction in safety margin.

Performance indicator data will be compared to established criteria for measuring licensee performance in terms of potential safety. Based on prescribed thresholds, the indicators will be classified by color representing varying levels of performance and incremental degradation in safety: GREEN, WHITE, YELLOW, and RED. GREEN indicators represent performance at a level requiring no additional NRC oversight beyond the baseline inspections. WHITE corresponds to performance that may result in increased NRC oversight. YELLOW represents performance that minimally reduces safety margin and requires even more NRC oversight. And RED indicates performance that represents a significant reduction in safety margin but still provides adequate protection to public health and safety.

The assessment process integrates performance indicators and inspection so the agency can reach objective conclusions regarding overall plant performance. The agency will use an Action Matrix to determine in a systematic, predictable manner which regulatory actions should be taken based on a licensee's performance. The NRC's actions in response to the significance (as represented by the color) of issues will be the same for performance indicators as for inspection findings. As a licensee's safety performance degrades, the NRC will take more and increasingly significant action, which can include shutting down a plant, as described in the Action Matrix.

More information can be found at: <http://www.nrc.gov/NRR/OVERSIGHT/index.html>.

SUMMARY OF FINDINGS

Examination Report, 50-341/2000302(DRS), on 07/20/2000; Detroit Edison; Fermi 2 Nuclear Power Plant; Unit 2. Other Activities.

The announced operator licensing initial examination was conducted by a regional examiner in accordance with the guidance of NUREG-1021, "Operator Licensing Examination Standards for Power Reactors," Revision 8, and as agreed upon in the court document for the Atomic Safety and Licensing Board Case No. 99-755-01-SP, dated June 22, 2000. No issues were identified.

Examination Summary

- One senior reactor operator applicant was administered the Category C, "Integrated Plant Operations," portion of the operating examination. The applicant passed the administered examination and was awarded a senior reactor operator license (Section 4OA5.1).

Report Details

4. OTHER ACTIVITIES

4OA5 Other

.1 Initial Licensing Examinations

a. Inspection Scope

The NRC examiner conducted an announced operator licensing initial examination on July 20, 2000. The facility staff used the guidance prescribed in NUREG-1021, Operator Licensing Examination Standards for Power Reactors, Revision 8, dated April 1999, to prepare the outline and two dynamic scenarios. The facility submitted the proposed outline and examination to the NRC on time.

b. Findings

The NRC determined that the two scenarios submitted by the facility were within the range of acceptability expected for the proposed examination. The NRC examiner did not identify any significant security concerns associated with the development or administration of the tests.

The NRC examiner administered the Category C operating test on July 20, 2000. The applicant demonstrated satisfactory performance during the dynamic scenarios. The NRC examiner documented the applicant's performance deficiencies in the applicant's examination report, Form ES-303-1, "Operator Licensing Examination Report." The NRC forwarded a copy of the evaluation under separate correspondence to the Site Training Manager. The sample size (one applicant) was considered too small to evaluate for any meaningful generic performance deficiencies.

In addition, per the court document for the Atomic Safety and Licensing Board Case No. 99-755-01-SP, dated June 22, 2000, a facility representative also evaluated the applicant's performance. Overall, the facility evaluator's assessment was similar to the NRC evaluation.

4OA6 Management Meetings

Exit Meeting Summary

The examiner presented the preliminary examination observations to Mr. Stasek and other members of licensee management on July 20, 2000. The licensee acknowledged the issues presented. No proprietary information was identified.

PARTIAL LIST OF PERSONS CONTACTED

Licensee

S. Stasek, Supervisor, Independent Safety Engineering Group
R. Duke, Operations Training
J. Flint, Licensing
K. Hlavaty, Operations Department
R. Johnson, Licensing
A. Mann, Operations Department, Facility Evaluator
S. Peterman, Operations Department
M. Philippon, Operations Department
D. Pierce, Nuclear Training
L. Sanders, General Supervisor, Operations Training

NRC

J. Larizza, Resident Inspector

SIMULATION FACILITY REPORT

Facility Licensee: Fermi 2

Facility Licensee Docket No: 50-341

Operating Examinations Administered: July 20, 2000

The following documents observations made by the NRC examination team during the initial license examination. These observations do not constitute audit or inspection findings and are not, without further verification and review, indicative of non-compliance with 10 CFR 55.45(b). These observations do not affect NRC certification or approval of the simulation facility other than to provide information which may be used in future evaluations. No licensee action is required in response to these observations.

During the conduct of the simulator portion of the operating examinations, the following items were observed:

ITEM	DESCRIPTION
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1. None